CIRCULAR 3,587, OF MARCH 26, 2012  
(As amended by Circular 3,610, of September 26, 2012 and 
Circular 3,808, of August 10, 2016)

Approves the new Regulation of the Special System for Settlement 
and Custody – Selic (Sistema Especial de Liquidação e de 
Custódia).
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CIRCULAR 3,587, OF MARCH 26, 2012

Approves the new Regulation of the Special System for Settlement and Custody – Selic (Sistema Especial de Liquidação e de Custódia).

The Board of Governors of the Central Bank of Brazil, in session held on March 22, 2012, pursuant to the provisions of article 11, item VII, of Law 4,595, of December 31, 1964, and article 10 of Law 10,214, of March 27, 2001,

RESOLVES:

Article 1. The attached Regulation that establishes the functioning of the Special System for Settlement and Custody (Selic) is hereby approved.

Article 2: This Circular will be in force as of the date of its publication.

Article 3: Circular 3,511, of November 5, 2010, is hereby revoked.

Aldo Luiz Mendes
Deputy Governor for Monetary Policy

This text does not replace the one published at DOU, on 3/27/2012, Section 1, p. 10-14 and the one at Sisbacen.
Establishes the Special System for Settlement and Custody (Selic) functioning.

CHAPTER 1
PRELIMINARY PROVISIONS

Article 1. The Special System for Settlement and Custody (Selic) is a computerized system that is intended for the custody of dematerialised securities issued by the National Treasury (Tesouro Nacional), as well as the registration and settlement of the operations with the referred securities.

Sole paragraph: The operations processed at Selic are settled by their real time gross values.

Article 2. Securities held in custody at Selic cannot be the object of trading without having the respective operations registered at it or at a system for clearing and settlement of operations with the aforementioned securities managed by a clearinghouse that is Selic’s participant.

Sole paragraph: In compliance with the legal and regulatory provisions, it is not responsibility of the Selic’s administrator to interfere in the conditions established by the contracting parties of the operations registered at the system.

Article 3. The following complementary modules integrate Selic:
I – Public Offer (Oferta Pública – Ofpub);
II – Offer to Primary Dealers (Oferta a Dealers – Ofdealers);
III – Collateral for Repo Operations (Lastro de Operações Compromissadas – Lastro);
and

Article 4. The administration of Selic and its complementary modules is of exclusive competence of the Open Market Operations Department (Departamento de Operações do Mercado Aberto – Demab) of the Central Bank of Brazil.

Article 5. For the purpose of this regulation, the following definitions are considered:
I – business day: as defined by the National Monetary Council (Conselho Monetário Nacional – CMN) for the purpose of transactions carried out in the financial market;
II – outright operation: purchase and sale of securities without assumption of the agreements mentioned in item III;
III – repurchase agreement (repo operation): purchase and sell of securities with resale agreement assumed by the buyer and/or repurchase agreement assumed by the seller;
IV – repurchase/resale: purchase and sell of securities due to the agreement(s) provided in item III;
V – fund: a mutual fund, an investment fund, or a congener regulated by the Securities and Exchange Commission of Brazil (Comissão de Valores Mobiliários – CVM); and
VI – clearinghouse: the clearinghouse or the provider of clearing and settlement services, in accordance with Law 10,214, of March 27, 2001, whose participation in Selic is regulated in Chapter IX hereof.

CHAPTER II
PARTICIPANTS

Article 6. In addition to the Central Bank of Brazil and the National Treasury, the following may be participants of Selic, having met the standards of this Regulation:
I – banks, savings banks, securities brokerage companies and securities distribution companies;
II – other institutions authorized to operate by the Central Bank of Brazil; and
III – other entities, at Selic’s administrator discretion.

Paragraph 1. Participation in Selic must be requested through the Participant’s Registration Form, template 30005, available at the Catalogue of Documents of the Central Bank of Brazil (Cadoc), and be forwarded:
I – in the case of institution aforementioned at items I and II of the caput: by the director in charge of Selic affairs; or
II – in the case of institution aforementioned at item III of the caput: by the representative with powers of management in charge of Selic affairs.

(Paragraph 1 included since September 12, 2016, by Circular 3,808, of August 10, 2016.)

Paragraph 2. The director aforementioned at item 1 of paragraph 1 shall be registered at the Information System on Entities of Interest of the Central Bank (Unicad), as defined by Circular 3.165, of December 4, 2002. (Included since September 12, 2016, by Circular 3,808, of August 10, 2016.)

Paragraph 3. The director and the representative aforementioned at paragraph 1 are considered administrators in charge of Selic affairs. (Included since September 12, 2016, by Circular 3,808, of August 10, 2016.)

Article 7. For the purpose of financial settlement of operations, the participant is defined as follows:
I – settler: if it is a holder at the Reserves Transfer System (Sistema de Transferência de Reservas – STR) of a Bank Reserves account or a Settlement Account, as long as, in the latter case, it has opted for the settling condition in Selic; and
II – non-settler: in the other hypotheses.

Article 8. The financial settlement of a participant’s operation, on its own behalf or on behalf of a client, shall observe the following:

I – if the participant is a settler, it must always be conducted at its account at STR; and

II – if the participant is a non-settler, it can be conducted at a Bank Reserves account of any settler participant, except for the provisions of article 9.

Article 9. Every non-settler participant shall elect a single standard settler, holder of a Bank Reserves account, through which the following operations are settled:

I – interest payments, amortization and redemption of securities held in custody in its accounts;

II – repurchases/resales, on its own behalf or on behalf of a client, in the day that the securities of these operations are redeemed.

Paragraph 1. The standard settler may be responsible for the transmission of the commands of the operations of the non-settler participant, on its own behalf or on behalf of a client.

Paragraph 2. The election of the standard settler by the non-settler participant shall happen at the account opening, as set in article 22.

Article 10. The participant’s decision to no longer appear as standard settler of the non-settler participant must be communicated, with at least 10 (ten) business days in advance, to the Selic’s administrator, using the correspondence template 30006 in the Catalogue of Documents of the Central Bank of Brazil (Cadoc), accompanied by a copy of the letter in which it has informed the decision to the non-settler participant, with the latter’s “awareness”.

Article 11. The non-settler participant, when notified of the decision referred to in article 10, must inform, in time, its new standard settler to the Selic’s administrator using the correspondence template 30007 in the Cadoc.

Article 12. The replacement of the standard settler at the initiative of the non-settler participant must be formally communicated, with at least one business day in advance, to the Selic’s administrator, using the correspondence template 30007 in the Cadoc, and to the standard settler that will be replaced.

Sole paragraph: In exceptional cases, at Selic’s administrator discretion and as it sets out, the replacement of a standard settler on the same day that is requested shall be accepted.

CHAPTER III
ACCESS TO SELIC AND TO ITS COMPLEMENTARY MODULES

Article 13. The settler participants connect to Selic through any of its access networks, including the National Financial System Network (Rede do Sistema Financeiro Nacional – RSFN), and the non-settler participants through any access network except the RSFN.
Sole paragraph. The opening and closing times of Selic are set by the Central Bank of Brazil and disclosed in normatives of Demab.

Article 14. All participants access the complementary modules through any Selic’s access network except the RSFN.

Article 15. The Selic’s administrator, at its exclusive discretion, can block a participant’s access that is putting at risk the functioning of the system or of any of its complementary modules.

Article 16. The procedures to connect to RSFN, the messages that can flow across this network and its safety requirements are respectively set out in the following documents:

I – RSFN Technical User Manual (Manual Técnico da RSFN);
II – RSFN File and Message Catalogue (Catálogo de Mensagens e de Arquivos da RSFN); and


Art. 17. Access to Selic and to its complementary modules through the Market Telecommunications Network (RTM) is controlled by the Access Authentication and Control System (Sistema de Autenticação e Controle de Acesso – Logon). (As worded, since September 12, 2016, by Circular 3,808, of August 10, 2016.)

Paragraph 1. The initial password that grants Selic’s participant access to Logon is provided by electronic message to the administrator in charge of Selic affairs, by means of digital certificate, or in person at the regional office of Central Bank of Brazil in Rio de Janeiro. (As worded, since September 12, 2016, by Circular 3,808, of August 10, 2016.)

Paragraph 2. After its initial access, the participant assumes total responsibility for the commands transmitted to Selic and its complementary modules by any of its users at Logon. (As worded, since September 12, 2016, by Circular 3,808, of August 10, 2016.)

Article 18. Logon users are classified as administrators, access managers and operators. (As worded, since September 12, 2016, by Circular 3,808, of August 10, 2016.)

Paragraph 1. The administrator aforementioned at article 17, paragraph 1, has full power to access all functions of Selic and its complementary modules available to the respective participant, including the registration of other administrators also with full powers, through Logon itself. (As worded, since September 12, 2016, by Circular 3,808, of August 10, 2016.)

Paragraph 2. The access manager may be registered by an administrator or another access manager and has its competence restricted to the Logon’s functions. (As worded, since September 12, 2016, by Circular 3,808, of August 10, 2016.)

Paragraph 3. The operator may be registered and have its competences defined by an administrator or a access manager. (As worded, since September 12, 2016, by Circular 3,808, of August 10, 2016.)

Paragraph 4. The operator, with given competence, can register another operators with equal or more restricted competence. (Included since September 12, 2016, by Circular 3,808, of August 10, 2016.)
Article 19. (Revoked since September 12, 2016, by Circular 3,808, of August 10, 2016)

Article 19-A. An user registered by a specific participant may perform as an user of other (s) participant (s) as long as this has been agreed upon by the administrators of the involved participants.

Sole paragraph. The user aforementioned at the caput:

I – authenticates itself simultaneously to all participants and with a unique password;

II – defines the participant on whose behalf it will act for; and

III – always acts accordingly with the competences defined by the participant responsible for its registration.

(Article 19-A included since September 12, 2016, by Circular 3.808, of August 10, 2016).

CHAPTER IV
ACCOUNTS

Article 20. The accounts have the following purposes:

I – normal custody, of own or third parties position: to register operations, indicating, through its balance, the securities’ position; and

II – brokerage: to register brokerage activity of its holder in the purchase and sale of securities.

Paragraph 1. Third parties normal custody accounts, whether or not of clients, and brokerage accounts are exclusive of institutions mentioned in article 6, item I.

Paragraph 2. Selic also has the following types of accounts:

I – special custody: managed by the system’s administrator, by a regulatory authority or by a intervening party in fiduciary assignment; and

II – issue and deletion of securities: managed by the system’s administrator.

Article 21. The third party normal custody account:

I – must identify, in its denomination, the securities’ owner when it is obligated, in compliance with its regulatory authority or by determination of the Central Bank of Brazil, to hold its securities in an individualized account at Selic; and

II – may be individualized, at the participant’s discretion, in the other cases.

Paragraph 1. Securities of financial institutions and other institutions authorized to operate by the Central Bank of Brazil cannot be held in custody in client’s custody account.

Paragraph 2. The bookkeeping of non-individualized third party custody account is made with no indication of the names of the beneficial owners of the securities under its custody. The analytical records, per beneficial owner, is responsibility of the account holder.
Paragraph 3. Analytical records mentioned in paragraph 2 must be promptly presented to the Selic’s administrator whenever requested.

Article 22. For the opening of the main own normal custody account, called “standard account”, the participant must submit, along with the signature card (template 30001 in the Cadoc), one of the following correspondence templates:

I – settler participant: Cadoc 30002; or
II – non-settler participant: Cadoc 30003.

Paragraph 1. The non-settler participant’s choice of whether or not to transmit its own commands must be informed through template 30003 in the Cadoc and any future change of this choice through template 30004 in the Cadoc.

Paragraph 2. The standard account closing may occur:

I – upon its holder request through correspondence template 30009 in the Cadoc after any pending issues pointed out by the Selic’s administrator have been resolved;
II – upon a decision of the Central Bank of Brazil, in case the holder breaks market rules or banking practices or legal and regulatory provisions that it is subjected to;
III – in the event of liquidation, extrajudicial liquidation, civil insolvency, bankruptcy or, whenever there is the case, due to a change in the holder’s business purpose;
IV – upon a decision of the Selic’s administrator, whenever the holder breaks any provision of this Regulation; or
V – at the discretion of the Selic’s administrator, whenever there is inactivity for more than 30 (thirty) days.

Paragraph 3. The opening and the closing of the other accounts described in article 20 are ruled in the Selic’s User Manual (Manual do Usuário do Selic – MUS).

Article 23. Any account of Selic, at the discretion of its administrator, may be blocked over the daily data transmission period or over an indeterminate period of time.

Sole paragraph. The blocked accounts do not admit the register of any operation.

Article 24. The Selic’s participant has access, for consultation and for statement purposes, to the accounts it holds and, if it is a standard settler, also to the non-settler participant’s accounts that has given it the incumbency of transmitting the operations’ commands.

Sole paragraph. The consultation and statements aforementioned at the caput cover all account entries, since its opening at Selic, regardless of any change of the holder participant due to the transfer of a client account or to the change of the standard settler. (Included since September 12, 2016, by Circular 3,808, of August 10, 2016.)

CHAPTER V
TYPES AND CHARACTERISTICS OF OPERATIONS
Article 25. The following operations can be processed by Selic:

I – issue and deletion of securities;

II – interest payments, amortization and redemption of securities;

III – purchase and sale of securities in outright transactions;

IV – purchase and sale of securities with a buyer’s resale agreement associated with a seller’s repurchase agreement to be settled at a predefined date;

V – purchase and sale of securities with a buyer’s resale agreement associated with a seller’s repurchase agreement to be settled at any time within a fixed-term, at the discretion of either party, as previously agreed between them;

VI – purchase and sale of securities with a seller’s repurchase agreement to be settled at the buyer’s exclusive discretion at a predefined date or within a fixed-term;

VII – purchase and sale of securities with a buyer’s resale agreement to be settled upon the seller’s exclusive discretion at a predefined date or within a fixed-term;

VIII – forward operations of purchase and sale of securities;

IX – purchase and sale of securities with register in the system at a posterior date;

X – repurchase and resale of securities;

XI – transfer of financial amounts due to taxes, interest payments or amortizations;

XII – transfer of securities without change of ownership;

XIII – transfer of securities due to acquisition, merger, spin-off or dissolution;

XIV – transfer of securities due to their utilization in subscription or redemption of quotas of investment funds by a quota holder with an individualized account at Selic;

XV – binding and unbinding of securities;

XVI – transfer of securities due to fiduciary assignment;

XVII – stripping and reconstituting of interest coupons;

XVIII – payment of the monthly amount owed by the Selic’s participant.

Paragraph 1. It is also liable to registration in Selic, at a date to be fixed by Demab, the promise of purchase or sale of securities made by the participant to a promisee either its client or not.

Paragraph 2. The Selic’s administrator has the sole right to transfer securities due to operations not provided by this article.

Article 26. Any purchase and sale operation requires the participation of bank, savings bank, securities brokerage company or securities distribution company:

I – as a contracting party, buyer or seller, in the repo operation; or

II – as broker or contracting party in the outright operation.
Sole paragraph. The outright or repo operation contracted by a consumer finance company and the outright operation contracted by a credit union exempt the participation of any institution aforementioned in the caput.

Payment of interest coupons, amortizations and redemptions

Article 27. For purposes of payment of interest coupons, amortization and redemption, the account’s securities position corresponds to the closing balance of the immediately preceding business day, except for the securities to be redeemed on the day of the event, in which case the securities related to repurchases are added to the balance and the ones related to resales are deducted from it.

Sole paragraph. For the purposes of the provided in this article, it is also considered as:

I – security: the interest coupon stripped from the principal; and
II – redemption: the last amortization of the security.

Article 28. Any transfer of securities is not allowed on the date of their redemption, with the exemption of repurchases/resales previously assumed for that day and of other operations authorized by the Selic’s administrator.

Repurchase/resale agreements

Article 29. The date of the repurchase/resale agreement:

I – cannot be after the maturity date of the securities related to the operation, except when the maturity date of the securities falls on a non-business day, in which case the agreement may be assumed for the next business day, coinciding with the redemption of the securities; and
II – with a term equal or superior of 2 (two) business days, must be, at most, the business day immediately preceding to the redemption of the securities related to the trading.

Paragraph 1. Only the agreement provided by article 25, item IV, can be agreed for:

I – the same day in which the respective repo transaction is settled; or
II – the following business day after the respective repo operation settlement date.

Paragraph 2. Anticipated settlement, total or partial, of the repurchase/resale related to repo operation without brokerage is admitted.

Article 30. The repurchase/resale unit price is necessarily:

I – equal to the unit price of the respective repo operation, if the agreement of repurchase/resale is assumed for the same day of the repo; and
II – established by Demab, if the date of the agreement, with a term of one business day, falls at the same day of the redemption of the securities related to the repo operation;

Sole paragraph. For the purpose of the item II aforementioned, Selic will disclose, until its opening on the immediately preceding business day of the securities redemption date, the unit prices of repurchases/resales to be observed in the register of the corresponding repo operations.
Article 31. The repurchase/resale agreements assumed for the same date may be consolidated, if in the interest of the parties, provided that:

I – they correspond to the operations type referred at article 25, item IV;

II – they must apply to securities with the same code, maturity date and repurchase/resale unit price; and

III – they derive from repo operations without brokerage, settled at the same day and with the same sale/repurchase unit price.

Article 32. A security under a resale agreement, subject to the prior agreement of both parties, may or may not have a free transaction provision and, in the latter case, it cannot be sold or in any other way negotiated, except in a repo operation without a free transaction agreement and with a repurchase date equal or prior to the repo resale.

Paragraph 1. Restriction to the negotiation applies to any security under a resale agreement at Selic on the day before the redemption date;

Paragraph 2. Except as set forth in paragraph 1, Selic does not prevent the registration and the settlement of a transaction with securities under resale agreement, the compliance with the “without free transaction” clause agreed by the parties in the respective repo transaction is the exclusive responsibility of the buyer/committed reseller.

Forward operations

Article 33. Forward operations may consist of the following securities:

I – already issued and outstanding, in which case the settlement date must be before the securities redemption date; or

II – originated in an already released but not yet settled public offer, in which case the settlement date must be the same as the public offer settlement date.

Paragraph 1. Forward operations are restricted to outright purchases and sales operations and to those with a resale or repurchase agreement provided by article 25, item IV.

Paragraph 2. For the purpose of item II, the forward operation settlement is subjected to the sale, in the public offer, of a minimum of 51% (fifty one percent) of the securities’ offering amount.

Brokerage operations

Article 34. The brokerage purchase and sale operations have the following characteristics:

I – existence of one, or the maximum, of two brokers, in the latter case one of them is attached to the selling party and the other to the purchasing party of the securities; and

II – the performance of the brokers with a brokerage account and the performance of the purchasing and selling parties with normal custody accounts, of their own or of clients.

Sole paragraph: The brokerage is restricted:

I – in spot operations: to outright purchases and sales and to those with a resale or repurchase agreement provided by article 25, item IV; and
II – to forward operation: outright purchases and sales.

Article 35. The financial result of the brokerage is the difference, which cannot be negative, between the financial values:

I – in the outright operation, of the purchase and the sale; and

II – in the repo operation, of the purchase and the sale and/or of the repurchase and the resale.

Sole paragraph. The provision of item II of this article caput does not apply when the agreement’s maturity date coincides with the redemption date of respective securities, in which case:

I - the financial result of the brokerage is the difference between the purchase and sale financial values; and

II – the financial value of the repurchase is equal to financial value of the resale.

Article 36. In the case of outright operation with a single broker, brokerage is permitted between a single seller and up to five buyers or between only one buyer and up to five sellers.

Sole paragraph. For the purpose of this article caput, the broker shall perform the pre-registration of its transactions, in accordance with the instructions in the Selic’s User Manual.

Article 37. In brokerage operations, the buyer does not have access, through Selic, to the seller’s name, and vice versa.

Operations with register in posterior date

Article 38. The operation’s register in a date posterior to the date the operation was performed is only allowed for outright purchases and sales and for purchases and sales with a resale or repurchase agreement provided by article 25, item IV, carried out by:

I – a fund that is a client in Selic and its administrator;

II – a fund that is a client in Selic and a settler participant; and

III – a fund administrator that is a non-settler participant in Selic, with a settler participant to resolve any mismatch derived from an operation carried out as referred in item I.

Sole paragraph. The register at a posterior date is prohibited for operations of already redeemed securities, operations with financial settlement through STR, repo operations with repurchase/resale on the same day, brokerage operations and linked or associated operations, provided for in articles 74 to 78.

Article 39. Concerning the commands described in Chapter VI, for the operation’s register in a posterior date:

I – repo or outright operation: must be transmitted in the following business day of the date the operation was performed; and

II – repo operation, when transmitted at the date of the agreement maturity: the commands authorize the register and the settlement of the repo operation and the respective repurchase/resale.
Transfers of financial amounts

Article 40. Selic has codes of operations that enable transferences of financial amounts among its participants, relative to:

I – taxes on operations registered and settled in the system; and

II – interest coupons and amortizations due to those who have sold the respective securities with the agreement of repurchasing them.

Sole paragraph. The calculation, withholding and collection of taxes that incurred on a settled operation carried out at Selic are the sole responsibility of the participants directly or indirectly involved on it.

Special transfers of securities

Article 41. The transfer of securities provided for in article 25, items XII, XIII or XIV is the sole responsibility of the participants, which have authorized the transmission of the respective commands, and it is for them to maintain the supporting documentation of the operation’s admissibility.

Sole paragraph. The participant which shall deliver the securities is also supposed to provide to the participant to whom the securities are transferred the details that allow for the calculation of any taxes on operations that occur after the transference.

Binding and unbinding of securities

Article 42. In order to meet legal or regulatory dispositions, the Selic’s participant must carry into effect the securities’ binding through a transference from a free transaction normal custody account to a special custody account or to any other type of normal custody account.

Paragraph 1. Binding as provided in this article and unbinding due to transfers in the opposite course are the sole responsibility of the participant that authorizes the transmission of the respective commands.

Paragraph 2. It is not the Selic’s administrator responsibility to verify the real purpose of the securities binding.

Fiduciary assignment of securities

Article 43. The fiduciary assignment is performed through the transfer of securities from the free transaction normal custody account in which the guarantor’s securities are held to the fiduciary assignment normal custody account, individualized or not, on behalf of the guaranteed.

Article 44. The fiduciary assignment may also be performed through the intervention of a third-party. In this case, the securities are registered in a fiduciary assignment special custody account of the intervening party, individualized or not, in which the intervening party holds the securities on behalf of the guaranteed.

Stripping and reconstituting of interest coupons
Article 45. Securities held in free transaction normal custody accounts may have their interest coupons stripped from the principal when this facility is provided for in the securities issue.

Paragraph 1. The reconstitution of all future interest coupons to the principal is permitted, as long as both, coupons and principal, are held in free transaction normal custody account.

Paragraph 2. It is forbidden the stripping of interest coupons on the business day immediately prior to payment of interest or to the security redemption.

CHAPTER VI
COMMANDS FOR REGISTER AND SETTLEMENT OF OPERATIONS

Article 46. The commands for register and settlement of operations are instructed, pursuant to the provisions of this Regulation, with data provided by Selic’s User Manual for the filling of the form “Instruction to Register and Settlement of Operation” (“Ordem para Registro e Liquidação de Operação”), template 30008 in the Cadoc.

Paragraph 1. Even though there is no financial settlement through STR, the commands must be instructed with the unit prices of purchase and sale or repurchase and resale effectively contracted by the parties.

Paragraph 2. The commands, when transmitted through RSFN, in a message set out at RSFN File and Message Catalogue, are subjected to specific rules available at Selic’s User Manual.

Article 47. The process of registration and settlement of operations comprises the following steps:

I – transmission of commands instructed with data referred to in article 46;
II – critical analysis of transmitted data;
III – verification of required commands;
IV – blocking of securities to be transferred, if applicable;
V – financial settlement confirmation, as provided by article 64, when required; and
VI – debit and credit entries in the custody accounts, if applicable.

Types of commands

Article 48. The commands to be transmitted are:

I – type 1: authorizing the debit entry of the quantity of securities and/or the credit entry of the financial value; and

II – type 2: authorizing the credit entry of the quantity of securities and/or the debit entry of the financial value.
Sole paragraph. The commands transmitted by the holder of brokerage account authorize only the financial settlement for receiving the brokerage due to the purchase and sale of securities.

Transmission of commands

Article 49. The commands may be transmitted:

I – by the participant itself, for the register and settlement of operations on its own behalf or on behalf of its clients;

II – by the standard settler participant, for the register and settlement of operations on its own behalf, on behalf of clients and on behalf of a non-settler participant that gave the standard settler participant the charge of it;

III – by Demab, for the register and settlement of operations of the Central Bank of Brazil and the National Treasury; and

IV – by the Selic’s administrator.

Sole paragraph. The non-settler participant aforementioned at item II must authorize the transmission of commands for its operations by the respective standard settler participant at the time determined by the latter.

Art. 50. Except for cases provided in item I of article 51, the participants are responsible for the initiative of transmitting or allowing the transmission of commands related to their repurchases/resales, not being responsibility of the Selic’s administrator or, when appropriate, of the standard settler participant any omission of this initiative.

Sole paragraph. In the case of repurchase/resale of institution under temporary special administration regime, of intervention or of judicial or extrajudicial liquidation, decreed after the assumption of the agreement, the initiative of authorizing the transmission of commands of the repurchases/resales is responsibility of the administrator, the intervener or the liquidator.

Article 51. Selic automatically transmits:

I – during the system’s opening procedures, the repurchase and resale commands of all securities, under agreements, that will be redeemed that day;

II – at the time scheduled by a normative released by Demab, the purchase and sale commands on the settlement day of the corresponding forward operation, according to the ascending order in which the operations were numbered at the moment of the register of the forward operations;

III – at the moment in which all the commands of the contracting parties are accepted in operation:
   a) provided for in article 36, the corresponding commands of the broker; and
   b) of repurchase/resale with brokerage, the corresponding command(s) of the broker(s).

IV – at the time scheduled and within the terms of the Regulation that outlines the operation of the complementary module Electronic Trading of Securities, the commands of the
Article 52. For the register and settlement, without passing through the STR, of the participant’s operations with its clients, the commands of a same type of transaction with a particular security may be transmitted by the respective totals, taking into account the operations weighted average price.

Article 53. If errors or omissions are observed in the transferred data, Selic will reject the command and will report the incident to the participant so that it provides a new transmission, where appropriate.

Double command

Article 54. The register and settlement of each operation require the transmission of two commands, except in operations:

I – of rediscount, which are the repo operations registered at the Rediscount System of Central Bank of Brazil, that require a single command, to be transmitted by this system;

II – with brokerage of third parties that require two or three double commands; and

III – linked or associated operations, mentioned at articles 74 to 78, in which all commands of the operations to be settled by the cleared position are required;

Article 55. The two commands must be instructed with the same data, except the data elements related to the indication of brokerage, linkage or association, identification of settler institutions and preference level for financial settlement at STR.

Article 56. After a command is transmitted, all the other commands required for the register and settlement of the operation or of the associated or linked operations must be transmitted within the term foreseen in accordance with normative released by Demab.

Cancellation of commands

Article 57. The following are canceled by Selic:

I – the commands instructed with divergent data, in accordance with provisions of article 55, except for the command submitted: (As worded by Circular 3,610, of September 26, 2012)

a) by whomever is entitled to in a resale/repurchase operation derived from the agreement provided in article 25, items V, VI, or VII; and (As included by Circular 3,610, of September 26, 2012)

b) automatically by Selic, regarding operation derived from a transaction in the complementary module Electronic Trading of Securities, provided by article 51, item IV; (As included by Circular 3,610, of September 26, 2012)

II – the commands accepted for processing purposes but dependent on other commands needed for the register and settlement of operations, that where not transmitted:

a) within the period of time specified in article 56; or

b) until the closing of Selic;
III – the commands of operations not settled due to insufficiency of securities, in accordance with provisions of article 70; and

IV – the commands of operations not settled due to lack of confirmation of financial settlement.

Sole paragraph. The provisions of item II, sub item “a”, do not apply to the command transmitted:

I – by Demab as participant or as Selic’s administrator;

II – by whomever is entitled to in the resale/repurchase derived from agreement provided by article 25, items IV, VI or VII.

III – automatically by Selic, regarding operation derived from a transaction in the complementary module Electronic Trading of Securities, provided by article 51, item IV. (As included by Circular 3,610, of September 26, 2012)

Article 58. At the initiative of the participants, the following may be canceled:

I – the command that is part of a double command not yet accepted by Selic;

II – the double or single command of a operation whose settlement depends on a not yet transmitted command; or

III – the double or single command of pending settlement operation due to insufficiency of securities, as long as it is not a brokerage operation or an associated or linked operation.

Paragraph 1. The Rediscount system of Central Bank of Brazil may determine the cancelation of commands of operations with settlement pending due to insufficiency of securities, which are linked or associated with a determined rediscount operation, as well as the single command of the rediscount operation.

Paragraph 2. Cancelation of the double commands mentioned at the **caput** of this article must be ordered to Selic by both parties.

Commands of operations contracted in public offer or in offer to dealers.

Article 59. Exceptional cases aside, until 9 a.m, will be transmitted Demab’s commands related to the settlement of:

I – securities purchase or sale operation contracted at public offer or at offer to dealers, in case the results have been released in the previous day; and

II – repurchase or resale due to agreement assumed in the previous day.

Paragraph 1. The command of the other party is transmitted in the schedule established in normative released by Demab.

Paragraph 2. Demab’s commands related to events and situations not provided by this article are transmitted in time to be informed by Demab to the concerned parties.
Article 60. (Revoked since September 12, 2016, by Circular 3.808, of August 10, 2016).

Article 61. In operations with transfer of securities only, the settlement occurs with the debit and credit entries at the contracting parties’ custody accounts.

Article 62. Involving securities and financial transfers, Selic ensures the financial settlement and makes the debit and credit entries in the custody accounts of the contracting parties, at which point Selic considers the operation as settled. (As worded, since September 12, 2016, by Circular 3,808, of August 10, 2016.)

Article 63. If only financial settlement is required, its confirmation implies the settlement of the operation in Selic.

Article 64. For the purpose of articles 62 and 63, Selic will be assured that the financial settlement was:

I – authorized by the settler participant through operational limit concession provided by articles 66 to 68, regarding non-settler participant operations; and/or

II – performed by STR.

Article 64-A. Once the settlement of the operation has occurred, it is considered to be irrevocable and unconditional. (Included since September 12, 2016, by Circular 3,808, of August 10, 2016.)

Article 65. Events that fall on non-business days are settled in the next business day.

Operational limit to non-settler participant

Article 66. Only the settler participant holder of a Bank Reserves account may establish an operational limit for the financial settlement of a non-settler participant.

Article 67. The operational limit is given, each moment, by the amount that is initially set, with the raise or reduction referred to in the sole paragraph of article 68, and deducted of the amount corresponding to financial debts computed on the day related to the non-setter participant’s operations already settled by the settler participant.

Paragraph 1. Financial debits are calculated operation by operation except when they are settled as provided by articles 72 and 73, in which case the debit to be considered is equal to the cleared position.

Paragraph 2. Financial settlement of a non-settler participant that exceeds the operational limit is considered to be non-certified.

Article 68. The initial operational limit and its alterations must be informed by the settler participant to Selic through a message as defined by RSFN File and Message Catalogue which will only be in effect on the following business day of the date that the message is accepted by Selic.
At any time, however, the settler participant may increase or reduce the operational limit, effective only for that day and from the moment that the message defined by RSFN File and Message Catalogue is accepted by Selic.

Pending settlement operations due to insufficiency of securities

Article 69. Pending settlement operations due to insufficiency of securities are allowed in the account from which the securities will be transferred.

Article 70. The double commands of the pending settlement operations due to insufficiency of securities are cancelled:

I – after the term of pendency is over or in the respective time limit, whichever comes first, both defined in normative released by Demab; or

II – immediately, if transmitted after the aforementioned time limit.

Sole paragraph. The term of pendency provided by item I of the caput runs from the moment that:

I – all the commands required for the operation have been accepted and, where appropriate, for the other operations settled with it by cleared positions; or

II – the commands are transmitted, by Selic, for the settlement of the forward operation.

Article 71. For settlement purposes, considering the balance of securities in the account, priority is given to operations that can be settled with this balance and among those the priority falls over the operations pending for the longest time.

Settlement by cleared positions

Article 72. For the settlement based on cleared positions Selic will:

I – calculate the net selling positions and will set apart these amounts of securities from the respective accounts;

II – be assured that the financial settlement occurred operation by operation, but considering the cleared financial position of each participant; and

III – proceed the debit and credit entries together and by the gross securities’ positions in the participants’ accounts;

Article 73. The following are settled by cleared positions:

I – the linked operations, in the terms of article 74;

II – the associated operations, in the terms of articles 75 to 78; and

III – the repurchases/resales of securities to be redeemed at that day and the issuer events of that same day, as provided by article 79.

Linked operations

Article 74. The following are settled by cleared positions:

I – the sale repo operation linked with a purchase repo operation of other securities, both contracted by the same institution with Central Bank of Brazil;
II – the repurchase and the resale related to the repo operations mentioned at item I; and

III – the repurchase/resale linked with securities sale/purchase repo operation, both contracted by the same parties.

Paragraph 1. The repo operations may not have brokers and the term of the agreements derived from them must be equal or superior to one business day.

Paragraph 2. The repurchase/resale addressed in item III cannot be derived from an agreement provided for in article 25, item IV.

Associated operations

Article 75. For the settlement based on cleared positions, the following items are associable:

I – the funding raised for securities purchase and the respective purchase operation; and

II – the securities sale operation for the payment of the raised funding and the respective funding payment.

Sole paragraph. The purchase and sale operation can be:

I – outright or repo, the latter with at least one business day term; and

II – contracted with or without the brokerage of third parties.

Article 76. For the purpose of this Regulation, funding is defined as:

I – the repo operation, with repurchase/resale operation for the same day, contracted between settler participant holder of a Bank Reserves account and settler participant holder of a Settlement Account or non-settler participant, with due regard for the applicable legal and regulatory rules;

II – the rediscount operation granted by Central Bank of Brazil to a settler participant holder of a Bank Reserves account or to a settler participant holder of a Settlement Account, with payment for the same day; or (As worded by Circular 3,610, of September 26, 2012)

III – the repo operation and the rediscount operation, as provided by items I and II, associated.

Article 77. Regarding to the rediscount operation from Central Bank of Brazil with payment at a date posterior to the date it was obtained, it is possible to associate:

I – its obtainment with the rediscount payment already granted; or

II – its payment with the sale, outright or repo, to third party.

Article 78. It can also be associated:

I – the outright operation, purchase or sale, contracted with the Central Bank of Brazil or the National Treasury and the outright operation, purchase or sale, contracted with a third party; and

II – the repo operation, purchase or sale, contracted with the Central Bank of Brazil and the repo operation, purchase or sale, contracted with a third party; and
III – the repurchase/resale contracted with the Central Bank of Brazil and the repurchase/resale contracted with a third party.

Sole paragraph. Repo operations mentioned at this article are restricted to those referred to in article 25, item IV.

Repurchases/resales and issuer events

Article 79. All repurchase and resale operations of securities that will be redeemed on the day and the payment of interest coupons, amortizations and redemptions that are expected for that same day are settled by the cleared result during Selic’s opening procedures.

CHAPTER VIII

SELIC’S COMPLEMENTARY MODULES

Article 80. There are four Selic’s complementary modules:
I – Public Offer (Oferta Pública – Ofpub);
II – Offer to Primary Dealers (Oferta a Dealers – Ofdealers);
III – Collateral for Repo Operations (Lastro de Operações Compromissadas – Lastro);
and

Article 81. Ofpub and Ofdealers modules have the purpose to accept proposals and determine the results of the following offers:
I – purchase or sale of securities, in outright or repo operation; and
II – other operations, subject to the discretion of the Selic’s administrator.

Sole paragraph. The offers are intended to:
I – at Ofpub: financial institutions and other institutions authorized to operate by the Central Bank of Brazil; and
II – at Ofdealers: only institutions authorized to operate with Demab and the General Coordination Staff of Public Debt Operations (Coordenação-Geral de Operações da Dívida Pública – Codip) of the National Treasury Secretariat.

Article 82. The Collateral for Repo Operations module aims to help the specification of the securities – codes, maturities and quantity – related to the repo operations mentioned in article 81, item I.

Article 83. The Electronic Trading of Securities module consists of an electronic trading platform for federal government securities accessible to participants’ of Selic, in the form and date to be disclosed by Demab.

CHAPTER IX

CLEARINGHOUSES
Article 84. The clearinghouses, as Selic’s participants, and the operations to be registered and settled with Selic in which they participate, whether direct or not, are ruled by the provisions of this chapter and, with the provisions of the other chapters of this Regulation when they do not contradict this chapter.

Accounts at Selic

Article 85. Any clearinghouse can hold normal custody accounts and the following special custody accounts:

I – special equity, provided by Law 10,214, of March 27, 2001;
II – mutualized fund; and
III – guarantee: for the custody of securities offered as a guarantee by a third party to the system that the clearinghouse manages.

Article 86. Each clearinghouse responsible for a clearing and settlement system of operations with securities held in custody with Selic additionally has the following accounts:

I – deposit: for the custody of securities provided by a third party interest in conducting business in the clearinghouse’s environment; and
II – settlement: for the physical settlement of operations entered at the clearinghouse’s environment.

Article 87. The opening of the main own normal custody account, called standard account, is processed by sending the templates 30001 and 30010 in the Cadoc.

Sole paragraph. The opening of other accounts as well as the closure of the accounts owned by clearinghouses must observe the instructions in Selic’s User Manual.

Article 88. For consultation and for statement purposes, besides the clearinghouse itself, the following also have access to the accounts of:

I – deposit: the participant responsible for the deposit and its standard settler when the latter is responsible for the transmission of commands of the first; and
II – guarantee: the participant responsible for providing the guarantee and its standard settler, when the latter is responsible for the transmission of commands of the first; and
III – special equity: the Department of Banking Operations and Payment System (Departamento de Operações Bancárias e de Sistema de Pagamentos – Deban) of Central Bank of Brazil.

Operations at Selic

Article 89. Besides those operations provided by article 25, are also permitted operations that implies securities transfer:

I – derived from the provision, release, replacement or execution of the guarantee provided to the clearinghouse;
II – related to deposit in account of clearinghouse responsible for a clearing and settlement system of operations with securities held in custody with Selic;

III – related to securities lending or securities exchanges authorized by National Monetary Council’s Resolution;

IV – derived from associated or linked operations provided by the subsequent articles of this chapter; and

V – resulting from physical settlement of operations processed in the environment of a clearinghouse responsible for a clearing and settlement system of operations with securities held in custody with Selic.

Article 90. A clearinghouse transmits through RSFN its operations commands.

Sole paragraph. In the binding or unbinding of securities from the special equity account, one of the commands will be transmitted by Deban.

Conditioned release and constitution of guarantee

Article 91. At the discretion of the clearinghouse, securities offered as collateral may be fully or partially released through an operation where the clearinghouse transfers the securities to a custody account of the responsible for providing the guarantee, who makes a deposit in favor of the clearinghouse with the amount set by it.

Sole paragraph. At the discretion of the clearinghouse, the reverse operation to the one described at the caput is admitted, through which the interested party transfers securities from its custody account to the corresponding clearinghouse’s guarantee account and the clearinghouse establishes and provides the deposit of funds in favor of the interested party.

Article 92. For the purpose of settlement based on cleared results, the following operations may be associated:

I – the release of securities offered as collateral mentioned at the caput of article 91 with the funding obtainment pursuant to article 76; and

II – the provision of the guarantee in securities mentioned in sole paragraph of article 91 and the payment of the aforementioned funding.

Rediscount payment associated with results in the clearinghouse

Article 93. The payment of a rediscount with financial resources provided by a net credit position of the interested party at the clearinghouse’s environment requires the association of the three following operations:

I – payment of the rediscount with transfer of securities from the Rediscount account of Central Bank of Brazil to the interested party custody account;

II – deposit of securities through transfer from the custody account of the interested party to the corresponding deposit account of the clearinghouse; and

III – settlement of the duty of delivery in the clearinghouse environment through transfer of securities from the deposit account to the clearinghouse settlement account.
Article 94. Whenever necessary, the operations mentioned in article 93 may be associated with all the following operations or only with the first two:

I – appropriation of securities through transfer from the settlement account to the clearinghouse’s custody account;

II – repo sale or, where appropriate, resale by the clearinghouse and the subsequent securities transfer from the clearinghouse’s custody account to the custody account of the buyer institution; and

III – granting of rediscount with transfer of securities from the financial institution custody account to the Rediscount account of Central Bank of Brazil.

Rediscount obtainment associated with results in the clearinghouse

Article 95. The obtainment of a rediscount with securities to be acquired by the interested party in the clearinghouse environment implies the association of the following three operations:

I – settlement of rights of receipt in the clearinghouse environment through the transfer of securities from the clearinghouse settlement account to its respective deposit account;

II – deposit withdrawal through the transfer of securities from the clearinghouse deposit account to the custody account of the interested party; and

III – rediscount obtainment with the transfer of the securities from the interested party’s custody account to the Rediscount account of the Central Bank of Brazil.

Article 96. Whenever necessary, the operations mentioned in article 95 may be associated with all the following operations or only with the first two:

I – transfer of securities bought by the clearinghouse from its custody account to its settlement account;

II – outright purchase, repo purchase, or where appropriate, repurchase by the clearinghouse and, as a consequence, the securities transfer from the seller’s custody account to the clearinghouse’s custody account; and

III – payment of rediscount eventually granted to the seller institution with transfer of securities from the Rediscount account of Central Bank of Brazil to the seller institution’s custody account.

Purchase in offer, public or to dealers, associated with results in the clearinghouse

Article 97. Securities purchased through Ofpub or Ofdealer with financial resources provided by a credit result of the interested party in the clearinghouse environment requires the association of the three following operations:

I – purchase in the Selic environment with the transfer of securities from an account held by the National Treasury or the Central Bank of Brazil to the custody account of the interested party;

II – deposit of securities through transfer from a custody account of the interested party to the corresponding deposit account of the clearinghouse; and
III – settlement of the duty of deliver in the clearinghouse environment through transfer of securities from the deposit account to the settlement account of the clearinghouse.

Article 98. Whenever necessary, the operations mentioned in article 97 may be associated with all the following operations or only with the first two:

I – appropriation of securities through transfer from the settlement account to custody account of the clearinghouse;

II – repo sale or, where appropriate, resale by the clearinghouse and as a consequence the transfer of securities from the clearinghouse’s custody account to the buyer institution’s custody account; and

III – granting of rediscount with transfer of securities from the custody account of the institution to the Rediscount account of the Central Bank of Brazil.

Ordinary provisions to operations associated with results in the clearinghouse

Article 99. In regards to the operation mentioned in item II of articles 93, 95 or 97, the command of the clearinghouse will be accepted by Selic once the corresponding command from the institution is complied, observing that the transmission of this last command must be preceded by the register of the operation mentioned in article 93, item I, article 95, item III or article 97, item I, respectively.

Article 100. The register of any operation mentioned in the items of articles 93 to 98 requires the transmission of commands with the financial value that must be identical for the operations mentioned in the items of articles 93, 95 or 97.

Article 101. Resale or repurchase agreements of the rediscount operations mentioned in articles 93 to 98 must always be assumed for the same day.

Repurchase/resale settlement in different systems

Article 102. The repo operation – mentioned in article 25, item IV, with free transaction agreement, not linked and without brokerage – and the respective repurchase/resale for the same or the following day may be settled in different systems, Selic being one of them, provided that this is agreed by the parties and with previous consent of the clearinghouse.

Article 103. In the event of resale/repurchase to be settled in the clearinghouse:

I – the commands of the repo operation are accepted by Selic only after the clearinghouse has sent a message stating its acceptance to settle the respective agreement; and

II – the provisions of item II of articles 29 and 30 do not apply to the respective repo operation to be registered at Selic.

Paragraph 1. The clearinghouse’s acceptance in regards to the repo operation not yet settled with Selic:

I – may be revoked, through a message sent to Selic, provided that Selic has not yet accepted any command from the respective repo operation; and

II – is considered revoked by Selic when the term established by a normative released by Demab is expired.
Paragraph 2. The revocation as aforementioned in paragraph 1 implies the cancelation of the commands from the respective repo operation with Selic.

Paragraph 3. When the repo operation is settled in Selic, it sends a message to the clearinghouse informing all data of the agreement to be honored at its clearing and settlement system.

Article 104. Regarding a purchase/sale at the clearinghouse with a resale/repurchase at Selic:

I – the date of the agreement cannot coincide with the date of redemption of the corresponding security; and

II – the clearinghouse shall inform Selic, on the very day that the repo operation is settled, all data related to the agreement that is derived from it.

Special equity of the clearinghouse

Article 105. The securities that constitute the special equity of the clearinghouse may be replaced, totally or partially, until the previous business day to the redemption date; through two linked operations of transfer of securities associated with two other purchase and sale operations, as follows:

I – purchase of the substitute securities and consequent transfer from a free transaction normal custody account of the seller to the free transaction normal custody account of the clearinghouse;

II – transfer of the substitute securities from the free transaction normal custody account of the clearinghouse to its special equity account;

III – transfer of the substituted securities from the special equity account to the free transaction normal custody account of the clearinghouse; and

IV – sale of the substituted securities and the consequent transfer from the free transaction normal custody account of the clearinghouse to the free transaction normal custody account of the buyer.

Sole paragraph. For the purpose of settlement by cleared results, the operations referred to in items I and II are associated, those in items II and III are linked, and in items III and IV are associated.

Transfers of securities

Article 106. In regards to a same clearinghouse, transfers of securities are allowed on the following circumstances:

I – between deposit, guarantee, settlement and free transaction normal custody accounts of the participant and of the clearinghouse; or

II – between the special equity and the free transaction normal custody accounts of the clearinghouse.

Article 107. Securities can be transferred between accounts of two clearinghouses of a same entity:
I – from deposit, guarantee or settlement account of the clearinghouse responsible for a clearing and settlement system of operations with securities held in custody with Selic to a guarantee account of another clearinghouse;

II – from the guarantee account of any clearinghouse to a deposit, guarantee or settlement account of the clearinghouse responsible for the system mentioned in item I; and

III – from guarantee account to guarantee account of any two clearinghouses.

Article 108. Securities transfers mentioned in articles 106 and 107 where the transferor and the transferee accounts are of deposit, guarantee or free transaction normal custody are restricted to those related to the same depositor/provider of guarantee.

Commands for register and settlement of operations

Article 109. Securities transfers between accounts of a same clearinghouse require the transmission of only one command, with the exception of the following, which require double command:

I – securities binding and unbinding at the special equity account; and

II – transfers derived from associated or linked operations.

Article 110. The commands transmitted by the clearinghouse, that do not imply financial resources transfers, and the commands related to operations associated with results at the clearinghouse provided by articles 93, 95 and 97 and item I of articles 94, 96 and 98, are not subject to the provisions of article 57, item II, sub item “a”.

Article 111. The commands of operations associated with results in the clearinghouse not settled until the end of the term mentioned in article 112 are cancelled by Selic.

Settlement of operations

Article 112. The physical settlement of operations processed in the environment of a clearinghouse responsible for a clearing and settlement system of operations with securities held in custody with Selic occurs at the time provide in its own regulation and any annexes, previously approved by Central Bank of Brazil.

Article 113. The clearinghouse operations processed in the Selic’s environment have its financial settlement in one of the following accounts, according to the account type or nature of the operation

I – Settlement Account in STR whose holder is the clearinghouse:

a) payment of interest, amortization and redemption of securities under custody in the deposit and guarantee accounts;

b) operations directly related to mechanisms and safeguards adopted by the system managed by the clearinghouse; and

c) operations associated with results in the clearinghouse;

II – account managed by Deban: payment of interest, amortization and redemptions of securities under custody in the clearinghouse special equity account; and
 III – Bank Reserves account of the standard settler: other operations of the clearinghouse.

Provision of information to Demab

Article 114. Data related to operations processed in a clearing and settlement operations system with securities held in custody at Selic must be informed to Demab by the respective clearinghouse, in accordance with the templates and terms established by Demab.

CHAPTER X
GENERAL PROVISIONS

Article 115. Every settler participant and, when appropriate, non-settler participant must keep in their workplaces a person qualified for the transmission of commands of operations:

I – preferably during the entire period of Selic’s functioning; and

II – compulsorily within 60 (sixty) minutes before the Selic’s closing.

Article 116. The following must be agreed among the parties:

I – the transmission of commands from the non-settler participant with its respective standard settler;

II – the definition, by the settler participant, of the operational limit for the non-settler participant; and

III – the extinction of the obligation resulting from the settlement of operations of a non-settler participant by a settler participant.

Article 117. Selic’s participants are subject to a monthly fee payment for the purpose of reimbursing operating and investing expenses from the Brazilian Financial and Capital Markets Association (Associação Brasileira das Entidades dos Mercados Financeiro e de Capitais – Anbima) and Central Bank of Brazil related to the functioning of Selic and of its complementary modules, as well as the expenses incurred by Anbima in its activities to foster the federal public securities market.

Sole paragraph. The Central Bank of Brazil, Selic’s administrator, the National Treasury, the federal public securities issuer, the Brazilian Sovereign Wealth Fund (Fundo Soberano do Brasil), created by Law 11,887, of December 24, 2008, and the regulatory authorities are exempted from the reimbursement as provided by the caput. (As worded by Circular 3,610, of September, 26, 2012)

Article 118. The value to be reimbursed by the participant is:

I – determined in accordance with the calculation methodology disclosed in normative released by Demab;
II – due on the tenth business day of the month subsequent to the one in which Selic was used; and

III – increased by *mora* interest of 1% (one per cent) per month or fraction and by fine of 2% (two per cent), over the amount due, when paid after the date mentioned in item II.

Article 119. Omitted cases shall be addressed by Demab.